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No. 4] NEW DELHI, MONDAY, FEBRUARY 24, 1969/PHALGUNA 5, 1890 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

RAJYA SABHA

The following Bills were introduced in the Rajya Sabha on the 24th February, 1969:—

I

Bill No. VII of 1969

A Bill further to amend the Payment of Bonus Act, 1965.

BE it enacted by Parliament in the Twentieth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Payment of Bonus (Amendment) Act, 1969.

21 of 1965.

Amendment of section 5.

2. In the Payment of Bonus Act, 1965 (hereinafter referred to as the principal Act), to section 5, the following proviso shall be added, namely:—

"Provided that the available surplus in respect of the accounting year commencing on any day in the year 1968 and in respect of every subsequent accounting year shall be the aggregate of—

(*a*) the gross profits for that accounting year after deducting therefrom the sums referred to in section 6; and

(*b*) an amount equal to the difference between—

(*i*) the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for the immediately preceeding accounting year; and

(*ii*) the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for such preceding accounting year after deducting therefrom the amount of bonus which the employer has paid or is liable to pay to his employees in accordance with the provisions of this Act for that year.".

Amendment of section 7.

3. In the principal Act, in section 7, for the words, brackets, letter and figure "For the purpose of clause (*c*) of section 6, any direct tax payable by the employer", the words "Any direct tax payable by the employer" shall be substituted.

Repeal and saving.

4. (*1*) The Payment of Bonus (Amendment) Ordinance, 1969, is hereby repealed. 2 of 1969.

(*2*) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act as if this Act had come into force on the 10th day of January, 1969.

STATEMENT OF OBJECTS AND REASONS

Under section 5 of the payment of Bonus Act, 1965, the available surplus in respect of any accounting year shall be the gross profits for that year after deducting therefrom the sums referred to in section 6. One of the sums referred to in section 6 is the direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year. In the Metal Box Company of India Limited *Vs*: Their Workmen (Civil Appeals Nos. 2138 and 2196 of 1966), the Supreme Court of India *inter alia* considered the provisions of clause (c) of section 6 of the Act which enables an employer to deduct any direct tax which he is liable to pay for any accounting year in respect of his income, profits and gains during that year. In that case, the Supreme Court has held in its Judgment dated 20th August, 1968, that the amount of tax deductible under clause (c) of section 6 is the tax calculated on a notional basis and not the actual tax payable by the employer. As a result of the decision of the Supreme Court, the tax relief on bonus will go entirely to the employers and not to the employees. It was considered necessary to amend section 5 of the Payment of Bonus Act, 1965 in order to carry out the intention of the Government that the available surplus under that section should be so computed that the amount of tax rebate accruing to the employers on account of bonus paid or payable under the Act, becomes a part of the available surplus of the succeeding year instead of the same going entirely to the employers. Since Parliament was not in session and since urgent action had to be taken in the matter, the President promulgated the Payment of Bonus (Amendment) Ordinance, 1969 (2 of 1969) on the 10th January, 1969, suitably amending section 5 of the Act for the aforesaid purpose.

2. The present Bill seeks to replace the Payment of Bonus (Amendment) Ordinance, 1969 (2 of 1969).

NEW DELHI;

The 13th February, 1969. JAISUKHLAL HATHI.

II

Bill No. VI of 1969

A Bill to continue the Armed Forces (Special Powers) Regulation, 1958, for a further period.

BE it enacted by Parliament in the Twentieth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Armed Forces (Special Powers) Continuance Act, 1969.

Amendment of section 1.

Regulation 2 of 1958.

2. In section 1 of the Armed Forces (Special Powers) Regulation, 1958, in sub-section (4), for the words, figures and letters "the 5th day of April, 1969", the words, figures and letters "the 5th day of April, 1972", shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Armed Forces (Special Powers) Regulation, 1958 (2 of 1958), was promulgated to confer special powers on commissioned officers, warrant officers and non-commissioned officers not below the rank of Havildar, of the Armed Forces, to enable them to aid effectively the civil power in the disturbed areas of Kohima and Mokokchung districts of the then Naga Hills-Tuensang Area. The Regulation was initially in force for one year. It was extended from year to year having regard to the circumstances prevailing in those areas. In 1966, while extending the duration of the Regulation for another year, it was made applicable to Tuensang district of Nagaland also, thus covering the entire State of Nagaland. The Regulation will cease to have effect on the 5th April, 1969. It is proposed to provide for the continuance of the Regulation for a further period of three years, *i.e.*, from the 5th April, 1969 to the 4th April, 1972 as the stage for dispensing with it has not yet been reached.

2. The Bill seeks to achieve the above object.

NEW DELHI;
The 4th January, 1969.

SURENDRA PAL SINGH.

B. N. BANERJEE,
Secretary.

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